



**Health Services**  
LOS ANGELES COUNTY

May 11, 2010

**Los Angeles County  
Board of Supervisors**

**Gloria Molina**  
First District

**Mark Ridley-Thomas**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF PROPOSITION A AGREEMENT FOR ON-SITE  
DOCUMENT SCANNING SERVICES WITH CABAN RESOURCES, LLC  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**John F. Schunhoff, Ph.D.**  
Interim Director

**Gail V. Anderson, Jr., M.D.**  
Interim Chief Medical Officer

**SUBJECT**

Approval of a Proposition A Agreement with Caban Resources, LLC for on-site document scanning services for the Department of Health Services.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Make the finding pursuant to Los Angeles County Code Section 2.121.420 that on-site document scanning services (scanning services) at Harbor-UCLA Medical Center (Harbor) and LAC+USC Health Care Network (LAC+USC) as described herein can be performed more economically by an independent contractor.
2. Instruct the Chair to execute an Agreement with Caban Resources, LLC (Caban), for the provision of scanning services at Harbor and LAC+USC, effective upon approval by your Board through June 30, 2013, at an estimated cost of \$8.8 million for the base term, with options to extend the Agreement term for up to two additional one-year periods.
3. Delegate authority to the Interim Director of Health Services (Interim Director) to execute Amendments to the Agreement, to: (1) extend the term of the Agreement for up to two additional one-year periods, subject to prior review and approval by the Chief Executive Office (CEO) and County Counsel and notification to your Board; and (2) add and/or change non-substantive terms and conditions in the Agreement as required by your Board.

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Los Angeles, CA 90012

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

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through leadership,  
service and education*

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### **PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS**

Approval of the first recommendation is necessary to comply with County Code 2.121.420. Contracting under Proposition A (Prop. A) requirements has been determined to be cost-effective and operationally feasible for the provision of scanning services by the Department of Health Services (DHS or Department) and the Auditor-Controller (A-C). Attachment I provides the cost analysis.

Approval of the second recommendation will allow the Chair to execute an Agreement with Caban, Exhibit I, to provide scanning services, for scanning of paper medical records into the DHS' electronic document management system, Quantim Electronic Data Management (EDM), at Harbor and LAC+USC through Fiscal Year (FY) 2012-13.

EDM is DHS' interim step toward an electronic medical record environment, also referred to as "Electronic Health Records (EHR)", to support patient care and comply with California Code of Regulations, Title 22, Section 70751 (g) for timely availability of medical records to its clinical staff. In summary, EDM provides the electronic repository and file structure for scanned images of original medical record documents that can be viewed by clinicians via the Affinity Clinical Workstation. EDM does not create a true paperless healthcare system, but does provide a pressure valve for the limited space that facilities have for on-site paper medical records storage. A true paperless healthcare system will not occur until an EHR system is fully implemented.

It should be noted that scanning services are performed in addition to customary Health Information Management (HIM) functions, including pulling and delivering charts to wards/clinics, then retrieving and re-filing the charts. Once EHR is fully implemented, DHS anticipates that the volume of work associated with medical record scanning and these customary HIM functions will diminish sufficiently to be performed solely by County employees. In addition, to reduce DHS' reliance on contracted staff for scanning services, the Department is exploring other staffing options, in concert with Service Employees International Union (SEIU) 721, including but not limited to using DHS staff placed on light or restricted duty.

Approval of the third recommendation will allow the Interim Director to exercise the option to extend the term of the Agreement for up to two years, through FY 2014-15. In compliance with Los Angeles County Code section 2.121.300, the Agreement contains an express delegation of this authority to the Interim Director. Approval of this recommendation will also allow the Interim Director to add and/or change non-substantive terms and conditions in the Agreement as required by your Board.

### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

Under the proposed Agreement, Caban will be reimbursed at hourly rates for the staff it provides. The estimated cost for the initial term of the Agreement is \$8.8 million, providing an estimated thirty-three percent (33%) savings from contracting. A cost analysis (Attachment I) for the services was prepared for Harbor and LAC+USC in accordance with A-C guidelines and methodologies. The Department and the A-C have determined that the contract is, for both the initial term and the extension periods, cost-effective.

Attachment II identifies the estimated annual costs of the Agreement. Funding is included in the DHS FY 2009-10 Final Budget and will be requested for future fiscal years.

### **FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

Under the recommended Agreement, Caban will provide scanning services at Harbor and LAC+USC which includes scanning medical record documents directly into the Quantim EDM and maintaining quality control.

Scanning services are performed at Harbor and LAC+USC by County employees and contract staff to produce the scanned images for the EDM structure. The general work associated with scanning services includes: (1) preparatory review and organization of medical record documents; (2) scanning of documents into EDM; and, (3) qualitative review and approval of the scanned documents before making the record available in its electronic format. There are insufficient budgeted positions to handle the current and planned scanning workload with County employees alone, making it necessary for DHS to use contract staff.

At Harbor, EDM went through an extensive and complex evaluation and product enhancement process prior to being deployed. Harbor completed this process and achieved the ability to scan medical records directly into EDM, but required staff from the software developer to assist with its deployment and maintenance of the workflow process associated with inpatient and emergency department medical records. Now that EDM and workflow processes are stable, Harbor only requires additional staff to handle the current workload. In FY 11-12, Harbor anticipates reducing contract services by 50%, as a result of their planned efforts to re-train existing County staff and transition them from manual filing to scanning.

At LAC+USC the EDM evaluation and product enhancement process overlapped with the move/transition to the replacement facility, requiring LAC+USC to use an alternate method to expedite the placement of scanned medical records into EDM. LAC+USC obtained services under a County contract through March 14, 2010 to provide interim assistance with the EDM process.

On April 28, 2009, your Board approved an Amendment to extend LAC+USC's contract for on-site document scanning services. At that time, DHS committed to release a Prop. A-compliant solicitation to continue the conversion from paper to electronically stored records. LAC+USC has since been acquiring the necessary equipment to perform the scanning services in-house and now requires additional staff to perform quality assurance.

The scanning project requires timely quality assurance to address the records of the approximately 1,100 patient visits each day who produce anywhere from 1 to 220 pieces of paper per visit. When the bar-coding and face-sheet information is available on all of the medical records submitted for scanning, LAC+USC plans to integrate County staff into the quality assurance work, copying the current Harbor model.

High Desert Health System, Martin Luther King, Jr. Multi-service Ambulatory Care Center, ValleyCare Olive View-UCLA Medical Center, and Rancho Los Amigos National Rehabilitation Center are preparing for deployment of EDM in the near future. If additional staff is needed to support their medical record scanning operations, DHS will return to your Board with recommendations to amend this Agreement.

The recommended Agreement has been approved as to form by County Counsel. It contains your Board's required contract provisions and includes the County's standard provisions as to indemnification and insurance to address tort liability and recently adopted Defaulted Property Tax Reduction Program Ordinance language.

It has been determined that the provision of services by the Contractor under the recommended Agreement is subject to Prop. A guidelines which include the Living Wage Program set forth in County Code Chapter 2.201. Caban is in compliance with the Living Wage Program requirements.

### **CONTRACTING PROCESS**

County Code provision 2.121.350 allows a contract to be made by noncompetitive negotiation if a Department determines that competition is not feasible. DHS determined that because of the specialized nature of the requested services and short timeframe in which to award a successor Agreement to the LAC+USC's contract, it was not feasible to conduct a competitive solicitation process before the

current Agreement expired. Therefore, DHS used an alternative method to identify potential firms to engage in a noncompetitive negotiation.

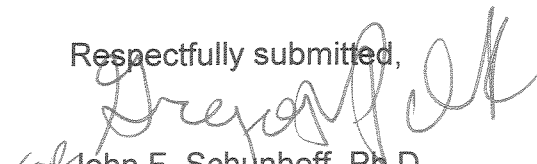
On December 28, 2009, DHS issued a Request for Statements of Interest (RFSI) on the County's vendor website and notice of its availability was e-mailed to the Department's mailing list, in order to identify interest from private sector organizations willing and capable of providing scanning services at Harbor, LAC+USC, and Rancho Los Amigos National Rehabilitation Center. Twelve responses were received by the January 15, 2010 submission deadline. All 12 Statements of Interest were reviewed by a team of DHS subject matter experts, and six responses considered non-responsive. Six firms were selected to provide additional information.

Based on the subject matter experts' review of the additional information submitted by these six firms, three firms were identified as sufficiently qualified to be interviewed. However, upon performing a cost analysis of the pricing submitted by these remaining qualified vendors, only one was found to be cost-effective and was subsequently interviewed by the DHS team. Caban was selected for recommendation for the Agreement based on the firm's extensive experience providing similar scanning services in other Los Angeles area hospitals, its plan to implement the scanning services with qualified staff, its methods for ensuring appropriate oversight, and its cost-effective price.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended agreements will allow DHS to continue the transition to electronic health records.

Respectfully submitted,

  
John F. Schunhoff, Ph.D.  
Interim Director

JFS:kh

Attachments (3)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES  
ON-SITE DOCUMENT SCANNING SERVICES - PROPOSITION A CONTRACTING  
HARBOR UCLA MEDICAL CENTER

COST COMPARISON FOR SCANNING SERVICES

Note: There is a variance between the Estimated Contract Cost identified in Attachment II and this analysis. The Estimated Contract Cost is based on a variable staffing pattern, while this analysis is based on a fixed staffing pattern using the maximum number of contract staff Harbor plans to use on this project.

COUNTY			
DIRECT			
Salaries	\$	358,352	
Employee Benefits	\$	101,270	
Total Labor	\$	459,623	
		TOTAL COUNTY COST	\$ 459,623
CONTRACTOR			
DIRECT			
Salaries	\$	309,456 *	
Employee Benefits	\$	-	
Total Labor	\$	309,456	
		TOTAL CONTRACTOR COST	\$ 309,456
		ANNUAL ESTIMATED SAVINGS FROM CONTRACTING	\$ 150,167
		SAVINGS PERCENTAGE	32.67%

\* Includes Employee Benefit Rates

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES  
ON-SITE DOCUMENT SCANNING SERVICES - PROPOSITION A CONTRACTING  
LOS ANGELES COUNTY + UNIVERSITY OF SOUTHERN CALIFORNIA

COST COMPARISON FOR SCANNING SERVICES

		COUNTY		
DIRECT				
Salaries		\$ 2,847,326		
Employee Benefits		\$ 853,059		
Total Labor		\$ 3,700,385		
			TOTAL COUNTY COST	\$3,700,385
		CONTRACTOR		
DIRECT				
Salaries		\$ 2,449,440 *		
Employee Benefits		\$ -		
Total Labor		\$ 2,449,440		
			TOTAL CONTRACTOR COST	\$ 2,449,440
			ANNUAL ESTIMATED SAVINGS FROM CONTRACTING	\$ 1,250,945
			SAVINGS PERCENTAGE	33.81%

\* Includes Employee Benefit Rates

**ATTACHMENT II**

**DEPARTMENT OF HEALTH SERVICES  
ESTIMATED CONTRACT COST  
FOR  
ON-SITE DOCUMENT SCANNING SERVICES**

**ESTIMATED CONTRACT COST:**

FISCAL YEAR	HARBOR	LAC+USC	TOTAL
2009-10	\$ 79,800	\$ 526,500	\$ 606,300
2010-11	319,200	2,527,196	\$2,846,396
2011-12	159,600	2,527,196	\$2,686,796
2012-13	159,600	2,527,196	\$2,686,796
<b>TOTAL</b>	<b>\$ 718,200</b>	<b>\$ 8,108,088</b>	<b>\$ 8,826,288</b>

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES  
ON-SITE DOCUMENT SCANNING SERVICES - PROPOSITION A CONTRACTING  
HARBOR UCLA MEDICAL CENTER**

**COST COMPARISION FOR SCANNING SERVICES**

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**DIRECT**

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Total Labor	\$	459,623

**TOTAL COUNTY COST \$ 459,623**

**CONTRACTOR**

**DIRECT**

Salaries	\$	309,456 *
Employee Benefits	\$	-
Total Labor	\$	309,456

**TOTAL CONTRACTOR COST \$ 309,456**

**ANNUAL ESTIMATED SAVINGS FROM CONTRACTING \$ 150,167**

**SAVINGS PERCENTAGE 32.67%**

\* Includes Employee Benefit Rates

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES  
ON-SITE DOCUMENT SCANNING SERVICES - PROPOSITION A CONTRACTING  
LOS ANGELES COUNTY + UNIVERSITY OF SOUTHERN CALIFORNIA**

**COST COMPARISON FOR SCANNING SERVICES**

<b>COUNTY</b>			
DIRECT			
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		TOTAL COUNTY COST	\$3,700,385
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ESTIMATED CONTRACT COST  
FOR  
ON-SITE DOCUMENT SCANNING SERVICES**

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<b>TOTAL</b>	<b>\$ 718,200</b>	<b>\$ 8,108,088</b>	<b>\$ 8,826,288</b>



**AGREEMENT**

**BY AND BETWEEN**

**COUNTY OF LOS ANGELES**

**DEPARTMENT OF HEALTH SERVICES**

**AND**

**CABAN RESOURCES, LLC**

**FOR**

**ON-SITE DOCUMENT SCANNING SERVICES**

**AGREEMENT PROVISIONS  
TABLE OF CONTENTS**

<b>PARAGRAPH</b>	<b>TITLE</b>	<b>PAGE</b>
<b>RECITALS</b>		<b>1</b>
<b>1.0</b>	<b>APPLICABLE DOCUMENTS</b>	<b>2</b>
<b>2.0</b>	<b>DEFINITIONS</b>	<b>3</b>
<b>3.0</b>	<b>WORK</b>	<b>4</b>
<b>4.0</b>	<b>TERM OF AGREEMENT</b>	<b>5</b>
<b>5.0</b>	<b>CONTRACT PAYMENT</b>	<b>5</b>
<b>6.0</b>	<b>ADMINISTRATION OF AGREEMENT- COUNTY</b>	<b>6</b>
6.1	County's Project Director	6
6.2	County's Project Manager	7
<b>7.0</b>	<b>ADMINISTRATION OF AGREEMENT - CONTRACTOR</b>	<b>7</b>
7.1	Contractor's Project Manager	7
7.2	Contractor's Authorized Official(s)	7
7.3	Approval of Contractor's Staff	7
7.4	Contractor's Staff Identification	8
7.5	Background & Security Investigations	8
7.6	Confidentiality	9
<b>8.0</b>	<b>STANDARD TERMS AND CONDITIONS</b>	<b>10</b>
8.1	Amendments	10
8.2	Assignment and Delegation	10
8.3	Authorization Warranty	11
8.4	Intentionally Omitted	11
8.5	Compliance with Applicable Law	12
8.6	Contractor Performance During Civil Unrest or Disaster	12
8.7	Compliance with County's Jury Service Program	12
8.8	Conflict of Interest	15
8.9	Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List	15
8.10	Consideration of Hiring Gain/Grow Program Participants	16
8.11	Contractor Responsibility and Debarment	16
8.12	Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law	20
8.13	Contractor's Warranty of Adherence to County's Child Support Compliance Program	20

**AGREEMENT PROVISIONS  
TABLE OF CONTENTS**

<b>PARAGRAPH</b>	<b>TITLE</b>	<b>PAGE</b>
8.14	County's Quality Assurance Plan .....	21
8.15	Damage to County Facilities, Buildings or Grounds.....	21
8.16	Employment Eligibility Verification.....	22
8.17	Facsimile Representations .....	22
8.18	Fair Labor Standards.....	23
8.19	Intentionally Omitted.....	23
8.20	Governing Law, Jurisdiction, and Venue.....	23
8.21	Independent Contractor Status .....	23
8.22	Indemnification .....	24
8.23	General Insurance Requirements .....	24
8.24	Insurance Coverage Requirements.....	30
8.25	Liquidated Damages .....	31
8.26	Most Favored Public Entity.....	33
8.27	Licenses, Permits, Registrations, and Certifications .....	33
8.28	Nondiscrimination in Services .....	34
8.29	Nondiscrimination and Affirmative Action.....	34
8.30	Non-Exclusivity .....	36
8.31	Notice of Delays .....	37
8.32	Notice of Disputes .....	37
8.33	Notice to Employees Regarding the Federal Earned Income Credit.....	37
8.34	Notice to Employees Regarding the Safely Surrendered Baby Law .....	37
8.35	Notices .....	38
8.36	Prohibition Against the Recruitment of County Employees.....	38
8.37	Public Records Act.....	38
8.38	Publicity .....	39
8.39	Record Retention and Inspection/Audit Settlement.....	40
8.40	Recycled Bond Paper.....	43
8.41	Subcontracting .....	43
8.42	Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program .....	45
8.43	Termination for Convenience .....	45
8.44	Termination for Default.....	46

# **AGREEMENT PROVISIONS** **TABLE OF CONTENTS**

<b>PARAGRAPH</b>	<b>TITLE</b>	<b>PAGE</b>
8.45	Termination for Improper Consideration.....	48
8.46	Termination for Insolvency .....	48
8.47	Termination for Non-Adherence of County Lobbyist Ordinance.....	49
8.48	Termination for Non-Appropriation of Funds .....	50
8.49	Validity .....	50
8.50	Waiver .....	50
8.51	Warranty Against Contingent Fees .....	50
8.52	CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM.....	51
8.53	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM.....	51
<b>9.0</b>	<b>UNIQUE TERMS AND CONDITIONS .....</b>	<b>52</b>
9.1	Contractor's Obligation as a "Business Associate" Under the Health Insurance Portability & Accountability Act of 1996 (HIPAA) .....	52
9.2	Contractor's Exclusion from Participating in a Federally Funded Program .....	52
9.3	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions (45 C.F.R. Part 76) .....	53
9.4	Staff Performance While Under the Influence .....	54
9.5	Local Small Business Enterprise (SBE) Preference Program .....	54
9.6	Rules and Regulations .....	55
9.7	Restrictions on Lobbying .....	56
9.8	Unlawful Solicitation .....	56
9.9	Compliance with County's Living Wage Program.....	56
<b>SIGNATURES .....</b>		<b>67</b>
 <b>EXHIBITS</b>		
A DESCRIPTION OF SERVICES		
B SCHEDULE OF RATES		
C COUNTY'S ADMINISTRATION		
D CONTRACTOR'S ADMINISTRATION		
E CONTRACTOR'S EEO CERTIFICATION		

**AGREEMENT PROVISIONS  
TABLE OF CONTENTS**

<b>PARAGRAPH</b>	<b>TITLE</b>	<b>PAGE</b>
------------------	--------------	-------------

---

**EXHIBITS (Continued)**

- F JURY SERVICE ORDINANCE
- G SAFELY SURRENDERED BABY LAW
- H CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT
- I CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE"  
UNDER THE HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY  
ACT OF 1996 (HIPAA) AND THE HEALTH INFORMATION TECHNOLOGY FOR  
ECONOMIC AND CLINICAL HEALTH ACT (HITECH)

**PROPOSITION A - LIVING WAGE PROGRAM EXHIBITS**

- J LIVING WAGE ORDINANCE
- K MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS
- L PAYROLL STATEMENT OF COMPLIANCE

**AGREEMENT BETWEEN  
COUNTY OF LOS ANGELES  
AND  
CABAN RESOURCES, LLC  
FOR  
ON-SITE DOCUMENT SCANNING SERVICES**

This Agreement and Exhibits made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2010 by and between the County of Los Angeles, Department Health Services (DHS), hereinafter referred to as "County" and Caban Resources, LLC, hereinafter referred to as "Contractor", to provide On-site Document Scanning Services, hereinafter referred to as "Scanning Services", at - Harbor/UCLA Medical Center (Harbor), Los Angeles County + University of Southern California (LAC+USC), Rancho Los Amigos National Rehabilitative Center (Rancho), hereinafter referred to as "DHS facilities".

**RECITALS**

WHEREAS, pursuant to provisions of Sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its DHS, a network of County hospitals, Multi-Service Ambulatory Care Centers, Comprehensive Health Centers and Health Centers; and,

WHEREAS, DHS facilities operate a Health Information Management Department (hereafter ("HIM")); and,

WHEREAS, Contractor is qualified under the laws of the State of California to engage in the business of providing Scanning Services and Contractor's staff are qualified; and,

WHEREAS, Contractor is willing to provide the services described hereunder for and in consideration of the payments provided under this Agreement and under the terms and conditions set forth herein; and,

WHEREAS, pursuant to Section 2.121.420 of the Los Angeles County Code, County is authorized to contract for these services; and,

WHEREAS, the County has determined that it is legal, feasible, and cost effective to contract for Scanning Services; and,

WHEREAS, this Contract is therefore authorized under Section 44.7 of the Los Angeles County Charter; and,

WHEREAS, DHS is responsible for administering this Agreement on behalf of the County;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

## **1.0 APPLICABLE DOCUMENTS**

Exhibits A, B, C, D, E, F, G, H, I, J, K, and L are attached to and form a part of this base Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the base Agreement and then to the Exhibits according to the following priority:

- EXHIBIT A Description of Services
- EXHIBIT B Schedule of Rates
- EXHIBIT C County's Administration
- EXHIBIT D Contractor's Administration
- EXHIBIT E Contractor's EEO Certification
- EXHIBIT F Jury Service Ordinance
- EXHIBIT G Safely Surrendered Baby Law
- EXHIBIT H Contractor Acknowledgement and Confidentiality Agreement
- EXHIBIT I Contractor's Obligations As a "Business Associate" Under the Health Insurance Portability Accountability Act of 1996 (HIPAA)

EXHIBIT J Living Wage Ordinance

EXHIBIT K Monthly Certification For Applicable Health  
Benefit Payments

EXHIBIT L Payroll Statement of Compliance

This base Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement, including the exhibits thereto, shall be valid unless prepared pursuant to sub-paragraph 8.1 - Amendments and signed by both parties.

If any provision of this Agreement, including any provision in an Exhibit, or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to such person or circumstance shall not be affected thereby.

## 2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

**2.1 Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with the County to perform or execute the work covered by the Agreement.

**2.2 Contractor's Staff:** Employees and/or independent contractors affiliated with Contractor assigned staff to perform Scanning Services work under this Agreement.

**2.3 Contractor Project Manager:** The individual designated by the Contractor to administer the Agreement operations after the Agreement becomes effective.

**2.4 County Facilities:** The facilities in which medical services are provided and/or administered by the County. For purposes of this

Agreement, "County Facilities" shall mean Harbor, LAC+USC, Rancho, Olive View, High Desert and MLK-MACC.

- 2.5 County Project Director:** DHS Director, Contracts Administration and Monitoring designated as County Project Director with authority to resolve contractual and administrative matters relating to this Agreement. The County's Project Director, or designee, is the approving authority for contractor work.
- 2.6 County Project Manager:** DHS HIM Director, is designated as chief contact person at the County Facilities with respect to the day-to-day administration of the Agreement.
- 2.7 Day(s):** Calendar day(s) unless otherwise specified.
- 2.8 Director:** Director (Interim or Permanent) of Health Services.
- 2.9 Fiscal Year:** The twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.10 Agreement:** County's agreement executed between County and Contractor. It sets forth the terms and conditions for the issuance and performance of the activities and obligations in the Description of Services, Exhibit A.
- 2.11 Description of Services:** A written description of services of work desired by County for a specific service.

### **3.0 WORK**

- 3.1** Pursuant to the provisions of this Agreement, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth herein.
- 3.2** If Contractor provides any task, deliverable, service, or other work to County other than approved by Contractor Personnel, these shall be gratuitous efforts on the part of Contractor for which Contractor shall have no claim whatsoever against County.

### **4.0 TERM OF AGREEMENT**

This Agreement is effective upon the date of its approval by the Board of Supervisors. This Agreement shall remain in full force and effect through

and including June 30, 2013, unless sooner terminated, in whole or in part, as provided herein. The Director may, in his sole discretion, extend the term of this Agreement for up to two additional one-year periods, in accordance with sub-paragraph 8.1 – Amendments.

## **5.0 AGREEMENT SUM, BILLING AND PAYMENT**

- 5.1 County's reimbursement to Contractor for period beginning with the Date of Board approval through June 30, 2010 shall not exceed Six Hundred Five Thousand Eight Hundred Dollars (\$605,800).
- 5.2 County's reimbursement to Contractor for the period beginning July 1, 2010 through June 30, 2013 shall not exceed Eight Million Sixty Thousand Seven Hundred Eighty-eight Dollars (\$8,060,788).
- 5.3 All billings by Contractor for Scanning Services rendered pursuant to this Agreement shall be in accordance with the terms and conditions herein and at the rates set forth in Exhibit B, SCHEDULE OF RATES.
- 5.4 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.
- 5.5 The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total Agreement authorization under this Agreement. Upon occurrence of this event, the Contractor shall

send written notification to DHS at the address herein provided in Exhibit E - County's Administration.

**5.6 No Payment for Services Provided Following Expiration/Termination of Agreement**

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Agreement. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement.

**5.7 Invoices and Payments**

5.7.1 The Contractor shall invoice the County in arrears only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Agreement. The Contractor's payments shall be as provided in Exhibit B - Pricing Schedule, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.7.2 The Contractor's invoices shall be priced in accordance with Exhibit B – SCHEDULE OF RATES.

5.7.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks,

deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

- 5.7.4 The Contractor shall submit the monthly invoices to the County by the 15<sup>th</sup> calendar day of the month following the month of service.

**Prop A - Living Wage Program:**

**No invoice will be approved for payment unless the following is included:**

- **Exhibit K - Monthly Certification for Applicable Health Benefit Payments (*if applicable*)**
- **Exhibit L - Payroll Statement of Compliance**

- 5.7.5 All invoices under this Agreement shall be submitted in two (2) copies to the following address:

A. For services rendered at Harbor:

1000 W. Carson Street  
Torrance, California 90509  
Attn: Expenditure Management

B. For services rendered at LAC+USC:

P.O. Box 861749  
Los Angeles, California 90086  
Attn: Expenditure Management

5.7.6 **County Approval of Invoices**

All invoices submitted by the Contractor for payment must have the written approval of the Facility's Project Manager prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld

5.7.7 **Local Small Business Enterprises – Prompt Payment Program (*if applicable*)**

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as 15 calendar days after receipt of an undisputed invoice.

## **6.0 ADMINISTRATION OF AGREEMENT - COUNTY**

### **COUNTY ADMINISTRATION**

A listing of all County Administration referenced in the following subparagraphs are designated in *Exhibit C*. The County shall notify the Contractor in writing of any change in the names or addresses shown.

#### **6.1 County's Project Director**

DHS Director, Contracts Administration and Monitoring, or designee, shall be designated as County Project Director with authority to resolve contractual and administrative matters relating to this Agreement that cannot be resolved by the County's Project Manager. The County's Project Director, or designee, is the approving authority for contractor work.

#### **6.2 County's Project Manager**

DHS facility HIM Director, or designee, shall be designated as the primary contact person at the County Facility with respect to the day-to-day administration of the Agreement.

## **7.0 ADMINISTRATION OF AGREEMENT-CONTRACTOR**

#### **7.1 Contractor's Project Manager**

7.1.1 Contractor's Project Manager is designated in *Exhibit D*. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement.

#### **7.2 Contractor's Authorized Official(s)**

7.2.1 Contractor's Authorized Official(s) are designated in *Exhibit D*. Contractor shall promptly notify County in writing of any change in the name(s) or address(es) of Contractor's Authorized Official(s).

7.2.2 Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials to execute documents under this Agreement on behalf of Contractor.

### **7.3 Approval of Contractor's Staff**

County has the absolute right to approve or disapprove all of Contractor's staff performing work hereunder and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Manager. In addition to any obligations set forth in Exhibit A, Description of Services, Contractor shall provide County with a resume of each proposed substitute and an opportunity to interview such person prior to any staff substitution.

### **7.4 Contractor's Staff Identification**

7.4.1 Contractor is responsible to ensure that Contractor's staff have obtained a County ID badge before they are assigned to work in the County Facility. Such individuals may be asked to leave the County Facility by a County representative if they do not have the proper County ID badge on their person.

7.4.2 Contractor shall notify the County within one business day when Contractor's staff is terminated from working under this Agreement. Contractor shall retrieve and return the terminated individual's County ID badge to the County Facility on the next business day after the individual has terminated from working with the Contractor.

7.4.3 If County requests the removal of a Contractor's staff, Contractor shall retrieve and return the individual's ID badge

to the County on the next business day after the individual has been removed from working on the County's Agreement.

## **7.5 Background and Security Investigations**

- 7.5.1 At any time prior to or during the term of this Agreement, the County shall require that all Contractor's staff performing work under this Agreement undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, up to and including a County-performed fingerprint security clearance. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless of whether the Contractor's staff passes or fails the background clearance investigation.
- 7.5.2 If Contractor's staff does not pass the background clearance investigation, the County may request that such individuals be immediately removed from working on this Agreement at any time during the term of the Agreement. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background clearance investigation.
- 7.5.3 County may immediately, at the sole discretion of the County, deny or terminate facility access to any of Contractor's staff who do not pass such investigation to the satisfaction of the County, or whose background or conduct is incompatible with County Facility access, or both.
- 7.5.4 Disqualification, if any, of Contractor's staff pursuant to this sub-paragraph 7.5, shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

## **7.6 Confidentiality**

- 7.6.1 The Contractor shall maintain the confidentiality of all records and clinical information obtained from the County under this Agreement in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.
- 7.6.2 The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Agreement.
- 7.6.3 The Contractor shall cause each employee performing services covered by this Agreement to sign and adhere to the provisions of the *“Contractor Employee Acknowledgment and Confidentiality Agreement”, Exhibit H-2.*
- 7.6.4 The Contractor shall cause each non-employee performing services covered by this Agreement to sign and adhere to the provisions of the *“Contractor Non-Employee Acknowledgment and Confidentiality Agreement”, Exhibit H-1.*

## **8.0 STANDARD TERMS AND CONDITIONS**

**8.1 Amendments** – In compliance with Los Angeles County Code Section 2.121.300.B, the County’s Board of Supervisors has delegated authority to the Director to renew or modify the Agreement as described below:

- 8.1.1 Director may, during the term of the Agreement, extend the term for up to two additional one-year periods. To implement each term extension a written Amendment shall be prepared by the County and executed by the Contractor and the Director, or his/her designee.
- 8.1.2 The County’s Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain

terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such requirements, a written Amendment to the Agreement shall be prepared by the County and executed by the Contractor and the Director, or his/her designee.

## **8.2 Assignment and Delegation**

8.2.1 The Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this subparagraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against any claims which the Contractor may have against the County.

8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

8.2.3 If any assumption, assignment, delegation, or takeover of any

of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

### **8.3 Authorization Warranty**

The Contractor represents and warrants that the person executing this Agreement for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.

### **8.4 Intentionally Omitted**

### **8.5 Compliance with Applicable Law**

8.5.1 The Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Agreement are hereby incorporated into this Agreement by reference.

8.5.2 The Contractor shall indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

### **8.6 Contractor Performance During Civil Unrest or Disaster**

The Contractor recognizes that health care facilities maintained by the County, including shelters and relief facilities operated by the County during a disaster, provide care essential to the residents of the communities they serve, and that these services are of particular importance at the time of a natural disaster or other similar event, or at the time of a riot, insurrection, or civil unrest. Notwithstanding any other provision of this Agreement, Contractor and Contractors' staff shall continue to provide Services at County Facility, during any natural disaster or other similar event, riot, insurrection, or civil unrest, so long as performance remains physically possible.

## **8.7 Compliance with County's Jury Service Program**

### **8.7.1 Jury Service Program**

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as *Exhibit F* and incorporated by reference into and made part of this Agreement.

### **8.7.2 Written Employee Jury Service Policy**

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct

from the Employee's regular pay the fees received for jury service.

2. For purposes of this sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the

Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this sub-paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar Contractor from participating in or the award of future County contracts for a period of time consistent with the seriousness of the breach.

## **8.8 Conflict of Interest**

- 8.8.1 No County employee whose position with the County enables such employee to influence the selection process of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.8.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Agreement. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph 8.8 shall be a material breach of this Agreement.

**8.9 Consideration of Hiring County Employees Targeted for Layoff/Or Re-Employment List**

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

**8.10 Consideration of Hiring Gain/Grow Program Participants**

8.10.1 Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's qualifications for the open position. For this purpose, consideration shall mean that the Contractor will

interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

- 8.10.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

## **8.11 Contractor Responsibility and Debarment**

### **8.11.1 Responsible Contractor**

A responsible Contractor is a Contractor which has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience satisfactorily to perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

### **8.11.2 Chapter 2.202 of the County Code**

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in this Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

### **8.11.3 Non-responsible Contractor**

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively

reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

#### 8.11.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, DHS will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and DHS shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of

the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing,

the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

#### 8.11.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

### **8.12 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law**

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the

poster to be used. Information on how to receive the poster can be found on the Internet at [www.babysafela.org](http://www.babysafela.org).

### **8.13 Contractor's Warranty of Adherence to County's Child Support Compliance Program**

8.13.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.13.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

### **8.14 County's Quality Assurance Plan**

The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or

continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

#### **8.15 Damage to County Facilities, Buildings or Grounds**

8.15.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.15.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

#### **8.16 Employment Eligibility Verification**

8.16.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The

Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.16.2 The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

#### **8.17 Facsimile Representations**

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to sub-paragraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

#### **8.18 Fair Labor Standards**

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

#### **8.19 Intentionally Omitted**

## **8.20 Governing Law, Jurisdiction, and Venue**

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

## **8.21 Independent Contractor Status**

8.21.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.21.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.21.3 The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed

by or on behalf of the Contractor pursuant to this Agreement.

## **8.22 Indemnification**

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to this Agreement.

## **8.23 General Insurance Requirements**

Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

### **8.23.1 Evidence of Coverage and Notice to County**

- Certificate(s) of insurance coverage (Certificate) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.

- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles/Health Services Administration  
Attention: Director, Contracts Administration and  
Monitoring  
Contracts and Grants Division

313 North Figueroa Street, 6<sup>th</sup> Floor East  
Los Angeles, CA 90012

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

#### **8.23.2 Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

#### **8.23.3 Cancellation of Insurance**

Except in the case of cancellation for non-payment of premium, Contractor's insurance policies shall provide, and Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

**8.23.4 Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

**8.23.5 Insurer Financial Ratings**

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

**8.23.6 Contractor's Insurance Shall Be Primary**

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

**8.23.7 Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The

Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

**8.23.8 Sub-Contractor Insurance Coverage Requirements**

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

**8.23.9 Deductibles and Self-Insured Retentions (SIRs)**

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

**8.23.10 Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration,

termination or cancellation.

**8.23.11 Application of Excess Liability Coverage**

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

**8.23.12 Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

**8.23.13 Alternative Risk Financing Programs**

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

**8.23.14 County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County’s determination of changes in risk exposures.

**8.24 Insurance Coverage Requirements**

**8.24.1 General Liability** insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.24.2 **Automobile Liability** written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

8.24.3 **Workers’ Compensation and Employers’ Liability** insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor’s employees will be engaged in maritime employment, coverage shall provide workers’ compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible. In all cases, the above insurance also shall include Employers’ Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.24.4 **Unique Insurance Coverage**

- **Professional Liability/Errors and Omissions**

Insurance covering Contractor’s liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement’s expiration, termination or cancellation.

- **Property Coverage**

Contractors given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as an Additional Insured and Loss Payee on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

## **8.25 Liquidated Damages**

- 8.25.1 If, in the judgment of the Department Head, or his/her designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Department Head, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Department Head, or his/her designee, in a written notice describing the reasons for said action.
- 8.25.2 If the Department Head, or his/her designee, determines that there are deficiencies in the performance of this Contract that the Department Head, or his/her designee, deems are correctable by the Contractor over a certain time span, the Department Head, or his/her designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time

frame, the Department Head, or his/her designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, or as specified in the Performance Requirements Summary (PRS) Chart, as defined in Appendix C, Technical Exhibit 2, hereunder, and that the Contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.25.3 The action noted in sub-paragraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.25.4 This sub-paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or sub-

paragraph 8.26.2, and shall not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

**8.26 Most Favored Public Entity**

If the Contractor's prices decline, or should the Contractor at anytime during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

**8.27 Licenses, Permits, Registrations, and Certifications**

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all its officers, employees, and agents, who perform services hereunder obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, and certificates required by law which are applicable to their performance of services hereunder.

**8.28 Nondiscrimination in Services**

Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or condition of physical or mental handicap, marital status, or political affiliation, and shall act in accordance with all non-discrimination requirements of Federal and State law. For the purpose of this Paragraph, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service, or benefit to any person which is not equivalent, or is not provided in an equivalent manner at a non-equivalent time, from that provided to others; subjecting any person to segregation or separate

treatment in any matter related to the receipt of any services; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit. Contract shall ensure that recipients of services under this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, or condition of physical or mental handicap, marital status, or political affiliation.

## **8.29 Nondiscrimination and Affirmative Action**

- 8.29.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.29.2 The Contractor shall certify to, and comply with, the provisions of *Exhibit E - Contractor's EEO Certification*.
- 8.29.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.29.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.29.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.
- 8.29.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this sub-paragraph 8.29 when so requested by the County.
- 8.29.7 If the County finds that any provisions of this sub-paragraph 8.29 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding

by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.

8.29.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Agreement, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

### **8.30 Non-Exclusivity**

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict the Department from acquiring similar, equal or like goods and/or services from other entities or sources, nor shall it restrict County from using its personnel to provide medical record and associated document imaging services.

### **8.31 Notice Of Delays**

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

### **8.32 Notice of Disputes**

The Contractor shall bring to the attention of the County Project Manager and/or County Project Director any dispute between the County and the Contractor regarding the performance of services as stated in this Agreement. If the County Project Manager or County Project Director is not able to resolve the dispute, the Director, or designee shall resolve it. Director's decision on such dispute shall be final.

### **8.33 Notice to Employees Regarding the Federal Earned Income Credit**

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

### **8.34 Notice to Employees Regarding the Safely Surrendered Baby Law**

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in *Exhibit G* of this Agreement and is also available on the Internet at [www.babysafela.org](http://www.babysafela.org) for printing purposes.

### **8.35 Notices**

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in *Exhibit C, County's Administration and Exhibit D, Contractor's Administration*. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Director shall have the authority to issue all notices or demands required or permitted by the County under this Agreement.

### **8.36 PROHIBITION AGAINST INDUCEMENT OR PERSUASION**

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year

thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

### **8.37 Public Records Act**

8.37.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to sub-paragraph 8.39 - Record Retention and Inspection/Audit Settlement of this Agreement; as well as those documents which were required to be submitted in response to the Request for Statement of Interest used for this Agreement, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary" and such other exceptions as are recognized by law. The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.37.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a Statement of Interest marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

### **8.38 Publicity**

8.38.1 The Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Agreement within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; and
- During the term of this Agreement, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

8.38.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been selected to participate in providing services described in this Agreement with the County of Los Angeles, provided that the requirements of this sub-paragraph 8.38 shall apply.

### **8.39 Record Retention and Inspection/Audit Settlement**

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement. The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy,

or transcribe any pertinent transaction, activity, or record relating to this Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Agreement and for a period of five (5) years after the last payment is made for services provided on this Agreement unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.39.1 In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

8.39.2 Failure on the part of the Contractor to comply with any of the provisions of this sub-paragraph shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

8.39.3 If, at any time during the term of this Agreement or within five (5) years after the expiration or termination of this Agreement, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Agreement or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Agreement exceed the funds appropriated by the County for the purpose of this Agreement.

8.39.4 In addition to the above, the Contractor agrees, should the County or its authorized representatives determine, in the County's sole discretion, that it is necessary or appropriate to review a broader scope of the Contractor's records (including, certain records related to non-County contracts) to enable the County to evaluate the Contractor's compliance with the County's Living Wage Program, that the Contractor shall promptly and without delay provide to the County, upon the written request of the County or its authorized representatives, access to and the right to examine, audit, excerpt, copy, or transcribe any and all transactions, activities, or records relating to any of its

employees who have provided services to the County under this Agreement, including without limitation, records relating to work performed by said employees on the Contractor's non-County agreements. The Contractor further acknowledges that the foregoing requirement in this subparagraph relative to Contractor's employees who have provided services to the County under this Contract is for the purpose of enabling the County in its discretion to verify the Contractor's full compliance with and adherence to California labor laws and the County's Living Wage Program. All such materials and information, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such materials and information prior to such time. All such materials and information shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such materials and information is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such materials and information at such other location.

#### **8.40 Recycled Bond Paper**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the

Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

#### **8.41 Subcontracting**

8.41.1 The requirements of this Agreement may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Agreement.

8.41.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

8.41.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.

8.41.4 The Contractor shall remain fully responsible for all performances required of it under this Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.41.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. The Contractor is responsible to notify its subcontractors of this County right.

- 8.41.6 The County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for their files.
- 8.41.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.41 .8 Before any subcontractor employee may perform any work hereunder, the Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles/Department of Health Services  
Contracts and Grants Division  
313 North Figueroa St., 6<sup>th</sup> Floor East  
Los Angeles, CA 90012

**8.42 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program**

Failure of the Contractor to maintain compliance with the requirements set forth in sub-paragraph 8.13 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which the County may terminate this Agreement pursuant to sub-paragraph 8.44 - Termination for Default and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

#### **8.43 Termination for Convenience**

8.43.1 County may terminate this Agreement, in whole or in part, from time to time or permanently, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.

8.43.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Agreement, on the date identified in such notice;
- Transfer title and deliver to County all completed work and work in process; and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.43.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Agreement shall be maintained by the Contractor in accordance with sub-paragraph 8.39, Record Retention & Inspection/Audit Settlement.

#### **8.44 Termination for Default**

8.44.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if, in the judgment of County's Project Director:

- Contractor has materially breached this Agreement;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Agreement; or

- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements of any work issued under this Agreement, or of any obligations of this Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.44.2 In the event that the County terminates this Agreement in whole or in part as provided in sub-paragraph 8.44.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this sub-paragraph.

8.44.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in sub-paragraph 8.44.2 if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the

failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this sub-paragraph 8.44.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.44.4 If, after the County has given notice of termination under the provisions of this sub-paragraph 8.44, it is determined by the County that the Contractor was not in default under the provisions of this sub-paragraph 8.44, or that the default was excusable under the provisions of sub-paragraph 8.44.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to sub-paragraph 8.43 - Termination for Convenience.

8.44.5 The rights and remedies of the County provided in this sub-paragraph 8.44 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

#### **8.45 Termination for Improper Consideration**

8.45.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or

securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.45.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County's Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.45.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

#### **8.46 Termination for Insolvency**

8.46.1 The County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or

- The execution by the Contractor of a general assignment for the benefit of creditors.

8.46.2 The rights and remedies of the County provided in this subparagraph 8.46 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

#### **8.47 Termination for Non-Adherence of County Lobbyist Ordinance**

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.

#### **8.48 Termination for Non-Appropriation of Funds**

Notwithstanding any other provision of this Agreement, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Agreement in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

#### **8.49 Validity**

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

#### **8.50 Waiver**

No waiver by the County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of any future breach of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this sub-paragraph 8.50 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

#### **8.51 Warranty Against Contingent Fees**

8.51.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.51.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

#### **8.52 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

8.52.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and

unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

8.52.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles Code Chapter 2.206.

### **8.53 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.18 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

## **9.0 UNIQUE TERMS AND CONDITIONS**

### **9.1 Contractor's Obligations as a "Business Associate" Under Health Insurance Portability & Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH)**

The County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). Under this Agreement, the Contractor provides services to the County and the Contractor

receives, has access to, and/or creates Protected Health Information as defined in *Exhibit I* in order to provide those services. The County and the Contractor therefore agree to the terms of *Exhibit I, Contractor's Obligations as a "Business Associate"* Under Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) (Business Associated Agreement).

## **9.2 Contractor's Exclusion from Participating in a Federally Funded Program**

Contractor hereby warrants that neither it nor any of Contractor's Medical Providers are restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within thirty (30) calendar days in writing of: (1) any event that would require Contractor's Medical Provider's mandatory exclusion from participation in a Federally funded health care program; and (2) any exclusionary action taken by any agency of the Federal government against Contractor or one or more of its medical providers barring it or the medical providers from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part. Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any Federal exclusion of Contractor or its medical providers from such participation in a Federally funded health care program. Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of agreement upon which County may immediately terminate or suspend this Agreement.

## **9.3 Certification Regarding Debarment, Suspension, Ineligibility**

**and Voluntary Exclusion - Lower Tier Covered Transactions  
(45 C.F.R. Part 76)**

Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, or directors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director, or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this agreement, should it or any of its subcontractors or Contractor's Medical Providers either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

**9.4 Staff Performance While Under the Influence**

Contractor shall not knowingly permit any person to perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance that might impair her/his physical or mental performance.

**9.5 Local Small Business Enterprise (SBE) Preference Program**

9.5.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

- 9.5.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- 9.5.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- 9.5.4 If the Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:
1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
  2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and OAAC of this information prior to responding to a solicitation or accepting a contract award.

## **9.6 Rules and Regulations**

During the time that Contractor's staff are at the County Facility, such individuals shall be subject to the rules and regulations of such County Facility. It is the responsibility of Contractor to acquaint its staff who are to provide services hereunder with such rules and regulations. Contractor shall immediately and permanently withdraw any of its staff from the provision of services hereunder upon receipt of oral or written notice from Director that (1) such person has violated said rules or regulations, or (2) such person, while on County premises, may harm County patients.

## **9.7 Restrictions on Lobbying**

If any Federal monies are to be used to pay for Contractor's services under this Agreement, Contractor shall comply with all certifications and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors and Affiliated Medical Providers or Affiliated Principals receiving funds provided under this Agreement also fully comply with all such certifications and disclosure requirements.

## **9.8 Unlawful Solicitations**

Contractor shall inform all of its employees providing Services hereunder of the provisions of Article 9 of Chapter 4 of Division 3, commencing with section 6150, of the Business and Professions Code of the State of California (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of said provisions by its officers, employees, agents, or volunteers. Contractor shall utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

## **9.9 Compliance with the County's Living Wage Program**

### **9.9.1 Living Wage Program**

This Agreement is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as *Exhibit J* and incorporated by reference into and made a part of this Agreement.

### **9.9.2 Payment of Living Wage Rates**

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that the Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), the Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to the County, including, without limitation, "Travel Time" as defined below at subsection 5 of this Subparagraph 9.9.2 under the Agreement:

- a. Not less than \$11.84 per hour if, in addition to the per-hour wage, the Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
  - b. Not less than \$9.64 per hour if, in addition to the per-hour wage, the Contractor contributes at least \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. The Contractor will be deemed to have contributed \$2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Agreement, the Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits, the Contractor shall be required to pay its Employees the higher hourly living wage rate.
2. For purposes of this sub-paragraph, "Contractor" includes any subcontractor engaged by the Contractor to perform services for the County under the Agreement. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of the Contractor under the laws of California, and who is providing full-time

services to the Contractor, some or all of which are provided to the County under the Agreement. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.

3. If the Contractor is required to pay a living wage when the Agreement commences, the Contractor shall continue to pay a living wage for the entire term of the Agreement, including any option period.
4. If the Contractor is not required to pay a living wage when the Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. The Contractor shall immediately notify the County if the Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if the Contractor no longer qualifies for an exception to the Living Wage Program. In either event, the Contractor shall immediately be required to commence paying the living wage and shall be obligated to pay the living wage for the remaining term of the Agreement, including any option period. The County may also require, at any time during the Agreement and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that the Contractor continues to qualify for an exception to the Living Wage Program. Unless the Contractor

satisfies this requirement within the time frame permitted by the County, the Contractor shall immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.

5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Agreement, "Travel Time" shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Agreement, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different agreements between the Contractor and the County (of which both agreements are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if the Contractor pays the Employee any amount for that time or if California law requires the Contractor to pay the Employee any amount for that time.

#### **9.9.3 Contractor's Submittal of Certified Monitoring Reports**

The Contractor shall submit to the County certified monitoring reports at a frequency instructed by the County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of

hours worked, the hourly wage rate paid, and the amount paid by the Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by the County (*Exhibit K and Exhibit L*), or other form approved by the County which contains the above information. The County reserves the right to request any additional information it may deem necessary. If the County requests additional information, the Contractor shall promptly provide such information. The Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

**9.9.4 Contractor's Ongoing Obligation to Report Labor Law/Payroll Violations and Claims**

During the term of the Agreement, if the Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), the Contractor shall immediately inform the County of any pertinent facts known by the Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the

Contractor's agreement with the County, but instead applies to any labor law/payroll violation or claim arising out of any of the Contractor's operations in California.

**9.9.5 County Auditing of Contractor Records**

Upon a minimum of twenty-four (24) hours' written notice, the County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. The Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of the County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

**9.9.6 Notifications to Employees**

The Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. The Contractor shall also distribute County-provided notices to each of its Employees at least once per year. The Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

**9.9.7 Enforcement and Remedies**

If the Contractor fails to comply with the requirements of this sub-paragraph, the County shall have the rights and remedies described in this sub-paragraph in addition to any rights and remedies provided by law or equity.

1. Remedies For Submission of Late or Incomplete Certified Monitoring Reports. If the Contractor submits

a certified monitoring report to the County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Agreement. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding of Payment. If the Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, the County may withhold from payment to the Contractor up to the full amount of any invoice that would otherwise be due, until the Contractor has satisfied the concerns of the County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is

agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages in the amount of \$100 per monitoring report for each day until the County has been provided with a properly prepared, complete and certified monitoring report. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.

- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.

- 2. Remedies for Payment of Less Than the Required Living Wage. If the Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Agreement. In the event of any such breach, the County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If the Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, the County may withhold from any payment otherwise due the Contractor the aggregate difference between the living wage amounts the Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. The County may withhold said amount until the Contractor has satisfied the County that any

underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by the County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against the Contractor liquidated damages of \$50 per Employee per day for each and every instance of an underpayment to an Employee. The County may deduct any assessed liquidated damages from any payments otherwise due the Contractor.
  - c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.
3. Debarment. In the event the Contractor breaches a requirement of this sub-paragraph, the County may, in its sole discretion, bar the Contractor from the award of future County agreements for a period of time

consistent with the seriousness of the breach, in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

**9.9.8 Use of Full-Time Employees**

The Contractor shall assign and use full-time Employees of the Contractor to provide services under the Agreement unless the Contractor can demonstrate to the satisfaction of the County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. It is understood and agreed that the Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Agreement unless and until the County has provided written authorization for the use of same. The Contractor submitted with its proposal a full-time Employee staffing plan. If the Contractor changes its full-time Employee staffing plan, the Contractor shall immediately provide a copy of the new staffing plan to the County.

**9.9.9 Contractor Retaliation Prohibited**

The Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any contract benefit, or any statutory benefit for any Employee, person or entity who has reported a violation of the Living Wage Program to the County or to any other public or private agency, entity or person. A violation of the provisions of this sub-paragraph may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.

9.9.10 **Contractor Standards**

During the term of the Agreement, the Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by the County, the Contractor shall demonstrate to the satisfaction of the County that the Contractor is complying with this requirement.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Chairman and seal of said Board to be hereto affixed, and attested by the Executive Officer thereof, and Contractor has caused this Agreement to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

SACHI A. HAMAI,  
Executive Officer, Board  
of Supervisors of the  
County of Los Angeles

By \_\_\_\_\_  
Chairman, Board of Supervisors

Contractor

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

APPROVED AS TO FORM  
COUNTY COUNSEL

By \_\_\_\_\_  
Deputy